

8380 Department of Personnel Administration

The Department of Personnel Administration (DPA) is the Governor's chief personnel policy advisor. The DPA represents the Governor as the "employer" in all matters concerning state employer-employee relations. The DPA is responsible for all issues related to salaries, benefits, and position classification. For rank and file employees, these matters are determined through the collective bargaining process and for excluded employees, through a meet and confer process. Specifically DPA:

- Represents the Governor in negotiations with the employee labor organizations regarding terms and conditions of employment.
- Sets the terms and conditions of employment for employees excluded from collective bargaining (managers, supervisors, and confidential employees).
- Manages salaries, benefits, classifications, and administers all aspects of the terms and conditions of employment for state employees except for merit-related matters (merit-related matters are those involving hiring, promoting, and disciplining state employees).
- Administers the tax-deferred savings program for state employees.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
10 Classification and Compensation	37.9	46.1	59.4	\$5,214	\$8,675	\$10,474
20 Labor Relations	19.2	25.4	30.4	4,183	4,236	4,307
25 Legal Services	42.1	49.4	63.6	7,514	8,170	9,919
40.01 Administration	33.2	37.1	37.0	3,687	4,415	4,457
40.02 Distributed Administration	-	-	-	-3,687	-4,415	-4,457
54 Benefits Administration	59.4	68.1	68.0	43,268	51,645	56,103
99 Unclassified (Benefit Payments)	-	-	-	22,097	27,719	27,719
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	191.8	226.1	258.4	\$82,276	\$100,445	\$108,522
FUNDING				2006-07*	2007-08*	2008-09*
0001 General Fund				\$30,785	\$34,810	\$39,737
0367 Indian Gaming Special Distribution Fund				89	-	207
0821 Flexelect Benefit Fund				21,476	27,605	27,502
0915 Deferred Compensation Plan Fund				11,600	12,829	13,837
0995 Reimbursements				16,867	17,301	19,339
8008 State Employees' Pretax Parking Fund				1,459	1,400	1,400
8049 Vision Care Program for State Annuitants Fund				-	6,500	6,500
TOTALS, EXPENDITURES, ALL FUNDS				\$82,276	\$100,445	\$108,522

Note that the expenditures for funds 0821 and 8008 include unclassified expenditures for benefit payments, which are detailed in the Detail of Appropriations and Adjustments.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code, Title 1, Division 1, Chapters 10.3 and 10.5; Government Code, Title 2, Division 5, Part 2.6; and California Code of Regulations, Title 2, Division 1, Chapter 3.

MAJOR PROGRAM CHANGES

- An augmentation of \$3,038,000 General Fund and 30.0 two-year limited term positions (28.5 PYs) to support and manage the projected layoff workload resulting from the statewide across-the-board budget balancing reductions in the budget year.

BUDGET-BALANCING REDUCTIONS

- The Budget includes General Fund reductions of \$1.9 million in 2008-09. The major budget balancing reductions include:
- 2008-09

* Dollars in thousands, except in Salary Range.

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The reduction of three positions in the Classification and Compensation Division result in a savings of \$0.398 million and 2.9 personnel years.

The reduction of two positions and contract dollars for surveys in the Labor Relations Program results in a savings of \$0.239 million and 1.9 personnel years.

The reduction of three positions and travel expenses in the Legal Division results in a savings of \$0.403 million and 2.9 personnel years.

The reduction of two positions in the Benefits Division results in a savings of \$0.226 million and 1.9 personnel years.

The reduction of annuitant Rural Health Care Equity Program subsidies and program administration results in a savings of \$0.515 million.

The reduction of one position in Administrative Services results in a savings of \$0.119 million and 0.9 personnel years.

DETAILED BUDGET ADJUSTMENTS

	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Baseline Adjustment Descriptions						
• Statewide Layoff	\$250	\$-	-	\$3,038	\$-	28.5
• Other Misc. Baseline Adjustments	-127	6,506	-	1,889	7,033	-
• ECP for Rural Health Care	-	-	-	341	-	-
• Retirement and Employee Compensation Adjustments	215	214	-	245	225	-
• SPP's Third Party Administrator Cost	-	-	-	-	844	-
• 21st Century Project	-	-	-	-	623	6.6
• Increase Reimbursement Authority for the Drug Testing Program	-	-	-	-	263	-
• SPP's Alternate Retirement Program Costs	-	-	-	-	100	-
• Initial Position Adjustment	-	-	-0.7	-	-	-14.7
• One Time Cost Reductions	-	-	-	-248	-620	-
Totals, Baseline Adjustments	\$338	\$6,720	-0.7	\$5,265	\$8,468	20.4
Policy Adjustment Descriptions						
• Financial Information System for California (FI\$Cal)	\$-	\$-	-	\$-	\$1,143	11.2
• SPP's Investment Consulting Costs	-	-	-	-	260	-
Totals, Policy Adjustments	\$-	\$-	-	\$-	\$1,403	11.2
TOTALS, BUDGET ADJUSTMENTS	\$338	\$6,720	-0.7	\$5,265	\$9,871	31.6
Other Adjustments ¹¹						
• Budget-Balancing Reductions	-	-	-	-1,900	-	-10.5
REVISED TOTALS, BUDGET ADJUSTMENTS	\$338	\$6,720	-0.7	\$3,365	\$9,871	21.1

¹¹ These dollars and PYs are included in the General Government agency, therefore not included in the other fiscal statements for this department. These totals are also not included in the applicable Summary Schedules for this department.

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 - CLASSIFICATION AND COMPENSATION

The Classification and Compensation Division provides a variety of human resource services, including the development of policy relative to classification and compensation standards and the Career Executive Assignment (CEA) program; consultation to departments and agencies on position allocation and effective personnel management practices; technical expertise in resolving complex personnel management issues; the development and implementation of pay letters, layoff and State Restriction of Appointments (SROA) programs, the state's exempt employee program, and verification of qualifying state service for purposes of calculating service credit; the development and implementation of innovative personnel management concepts designed to address workforce challenges including succession planning, pay incentive programs, and a reduced workforce. The Department of Personnel Administration and the State Personnel Board are partners on a project to modernize California State Government's human resources system. This project will streamline hiring, reward performance, and simplify the state's vast classification system.

* Dollars in thousands, except in Salary Range.

8380 Department of Personnel Administration - Continued**20 - LABOR RELATIONS**

The Labor Relations Division (Division) represents the Governor through the collective bargaining process and presents the state's management position in negotiations with the exclusive representatives (typically unions) of the 21 bargaining units. Collective bargaining issues include wages, hours, and working conditions for represented employees. The Division is responsible for setting the pay and benefits of employees excluded from the collective bargaining process including supervisors, managers, executives and confidential employees. (Confidential employees are generally those whose work assignments expose them to information that is sensitive or confidential in nature.) The Division provides cost estimates for collective bargaining proposals regarding changes to compensation, benefits, and working conditions. The Division is responsible for determining appropriate compensation levels for the state's employees through a salary survey program.

25 - LEGAL

The Legal Division represents the state in all labor relations matters. The Division also represents agencies in areas such as personnel and discipline matters and wage and hour claims. The Department's attorneys are also called upon to provide legal representation in employment law, such as claims under the Americans with Disabilities Act and the Family Medical Leave Act.

40 - ADMINISTRATION

The Department of Personnel Administration's Executive Office provides strategic planning and direction for the Department as well as advice to the Governor's Office on all matters involving state employer-employee relations. The Administration Program also provides staff support and service to the Department's line programs including fiscal, personnel, contract, procurement, information technology, and telecommunications services.

54 - BENEFITS ADMINISTRATION

The Benefits Administration administers a comprehensive employee benefit package designed to assist the state in attracting and retaining a qualified and diversified workforce. Benefits include health, dental, vision, employee assistance, safety/wellness, life insurance, long-term disability insurance, and legal services. The Benefits Administration also manages the master service agreement with the State Compensation Insurance Fund to provide for the state's workers' compensation program. The Savings Plus Program administers a tax-deferred savings program for state employees to supplement their future retirement in addition to the Alternative Retirement Program.

DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
PROGRAM REQUIREMENTS				
10	CLASSIFICATION AND COMPENSATION			
	State Operations:			
0001	General Fund	\$4,421	\$7,416	\$8,081
0915	Deferred Compensation Plan Fund	-	139	139
0995	Reimbursements	<u>793</u>	<u>1,120</u>	<u>2,254</u>
	Totals, State Operations	\$5,214	\$8,675	\$10,474
PROGRAM REQUIREMENTS				
20	LABOR RELATIONS			
	State Operations:			
0001	General Fund	\$3,195	\$3,625	\$4,100
0367	Indian Gaming Special Distribution Fund	89	-	207
0995	Reimbursements	<u>899</u>	<u>611</u>	<u>-</u>
	Totals, State Operations	\$4,183	\$4,236	\$4,307
PROGRAM REQUIREMENTS				
25	LEGAL SERVICES			
	State Operations:			
0001	General Fund	\$1,209	\$1,784	\$3,478
0995	Reimbursements	<u>6,305</u>	<u>6,386</u>	<u>6,441</u>
	Totals, State Operations	\$7,514	\$8,170	\$9,919
PROGRAM REQUIREMENTS				
54	BENEFITS ADMINISTRATION			
	State Operations:			
0001	General Fund	\$21,960	\$21,985	\$24,078
0821	Flexelect Benefit Fund	838	1,286	1,183

* Dollars in thousands, except in Salary Range.

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	2006-07*	2007-08*	2008-09*
0915 Deferred Compensation Plan Fund	11,600	12,690	13,698
0995 Reimbursements	8,870	9,184	10,644
8049 Vision Care Program for State Annuitants Fund	-	6,500	6,500
Totals, State Operations	\$43,268	\$51,645	\$56,103
PROGRAM REQUIREMENTS			
99 BENEFIT PAYMENTS			
Unclassified:			
0821 Flexelect Benefit Fund	\$20,638	\$26,319	\$26,319
8008 State Employees' Pretax Parking Fund	1,459	1,400	1,400
Totals, Unclassified	\$22,097	\$27,719	\$27,719
TOTALS, EXPENDITURES			
State Operations	60,179	72,726	80,803
Unclassified	22,097	27,719	27,719
Totals, Expenditures	\$82,276	\$100,445	\$108,522

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	191.8	238.0	231.0	\$12,765	\$15,405	\$15,257
Total Adjustments	-	-	41.0	-	333	3,003
Estimated Salary Savings	-	-11.9	-13.6	-	-787	-778
Net Totals, Salaries and Wages	191.8	226.1	258.4	\$12,765	\$14,951	\$17,482
Staff Benefits	-	-	-	4,548	5,050	5,970
Totals, Personal Services	191.8	226.1	258.4	\$17,313	\$20,001	\$23,452
OPERATING EXPENSES AND EQUIPMENT				\$19,474	\$25,317	\$27,679
SPECIAL ITEMS OF EXPENSE						
Rural Health Care Equity Program (Actives)				\$18,723	\$12,549	\$14,606
Rural Health Care Equity Program (Annuitants)				4,580	8,359	8,359
Indian Gaming Special Distribution Fund				89	-	207
Vision Care Fund				-	6,500	6,500
Totals, Special Items of Expense				\$23,392	\$27,408	\$29,672
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$60,179	\$72,726	\$80,803
4 Unclassified	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
Flexelect Benefit Fund				\$20,638	\$26,319	\$26,319
State Employees' Pretax Parking Fund				1,459	1,400	1,400
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)				\$22,097	\$27,719	\$27,719

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$10,294	\$13,564	\$16,772
Allocation for employee compensation	448	240	-
Allocation for contingencies or emergencies	-	250	-

* Dollars in thousands, except in Salary Range.

8380 Department of Personnel Administration - Continued

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
Adjustment per Section 3.60	62	-25	-
Adjustment per Section 4.04	-	-131	-
Adjustment per Section 4.75 Statewide Surcharge	-1	-	-
Adjustment per Section 15.25	-	4	-
004 Budget Act appropriation	23,305	20,908	21,249
Adjustment per Section 4.75 Statewide Surcharge	-1	-	-
Prior year balances available:			
Item 8380-004-0001, Budget Act of 2004	392	392	392
Item 8380-004-0001, Budget Act of 2005	1,323	1,323	1,323
Item 8380-004-0001, Budget Act of 2006	-	1	1
Totals Available	\$35,822	\$36,526	\$39,737
Unexpended balance, estimated savings	-3,321	-	-
Balance available in subsequent years	-1,716	-1,716	-
TOTALS, EXPENDITURES	\$30,785	\$34,810	\$39,737
0367 Indian Gaming Special Distribution Fund			
APPROPRIATIONS			
Prior year balances available:			
Item 8380-001-0367, Budget Act of 2000, as reappropriated by Item 8380-490, Budget Acts of 2001, 2002, 2003, 2004, 2005, 2006 and 2008	\$296	\$207	\$207
Totals Available	\$296	\$207	\$207
Balance available in subsequent years	-207	-207	-
TOTALS, EXPENDITURES	\$89	\$-	\$207
0821 Flexelect Benefit Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,319	\$1,279	\$1,183
Allocation for employee compensation	9	6	-
Adjustment per Section 3.60	2	-	-
Adjustment per Section 15.25	-	1	-
Totals Available	\$1,330	\$1,286	\$1,183
Unexpended balance, estimated savings	-492	-	-
TOTALS, EXPENDITURES	\$838	\$1,286	\$1,183
0915 Deferred Compensation Plan Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$11,712	\$12,760	\$13,837
Allocation for employee compensation	101	71	-
Adjustment per Section 3.60	16	-5	-
Adjustment per Section 15.25	-	3	-
Totals Available	\$11,829	\$12,829	\$13,837
Unexpended balance, estimated savings	-229	-	-
TOTALS, EXPENDITURES	\$11,600	\$12,829	\$13,837
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$16,867	\$17,301	\$19,339
8049 Vision Care Program for State Annuitants Fund			
APPROPRIATIONS			
001 Budget Act appropriation, as added by Chapter 256, Statutes of 2007	\$-	\$6,500	\$-
001 Budget Act appropriation	-	-	6,500
TOTALS, EXPENDITURES	\$-	\$6,500	\$6,500
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$60,179	\$72,726	\$80,803

* Dollars in thousands, except in Salary Range.

8380 Department of Personnel Administration - Continued

4 UNCLASSIFIED	2006-07*	2007-08*	2008-09*
0821 Flexelect Benefit Fund			
APPROPRIATIONS			
Government Code Sec 1156 (claims paid)	<u>\$20,638</u>	<u>\$26,319</u>	<u>\$26,319</u>
TOTALS, EXPENDITURES	\$20,638	\$26,319	\$26,319
8008 State Employees' Pretax Parking Fund			
APPROPRIATIONS			
Government Code Section 1156.1	<u>\$1,459</u>	<u>\$1,400</u>	<u>\$1,400</u>
TOTALS, EXPENDITURES	\$1,459	\$1,400	\$1,400
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$22,097	\$27,719	\$27,719
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$82,276	\$100,445	\$108,522

FUND CONDITION STATEMENTS

	2006-07*	2007-08*	2008-09*
0821 Flexelect Benefit Fund ^N			
BEGINNING BALANCE	\$8,517	\$5,474	\$11,261
Prior year adjustments	<u>-425</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$8,092	\$5,474	\$11,261
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
250300 Surplus Money Investments (DPA)	462	226	226
216100 Fees and Licenses (Administrative Fees)	526	600	600
261900 Escheat of Unclaimed Checks	29	-	-
221100 Other:			
Employee Contributions - Health Care	9,738	15,395	15,395
Employee Contributions - Dependent Care	<u>8,103</u>	<u>17,171</u>	<u>17,171</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$18,858</u>	<u>\$33,392</u>	<u>\$33,392</u>
Total Resources	\$26,950	\$38,866	\$44,653
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
8380 Department of Personnel Administration			
State Operations	838	1,286	1,183
Unclassified	20,638	26,319	26,319
Health Care Reimbursement Account	-	-	-
Dependent Care Reimbursement Accounts	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Expenditure Adjustments	<u>\$21,476</u>	<u>\$27,605</u>	<u>\$27,502</u>
FUND BALANCE	\$5,474	\$11,261	\$17,151
0915 Deferred Compensation Plan Fund ^N			
BEGINNING BALANCE	\$7,045,885	\$8,403,428	\$9,963,183
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215600 Interest on Investments (Participants)	880,369	494,756	494,756
221100 Other (Employee Contributions)	476,646	1,066,734	1,066,734
250300 Surplus Money Investments (DPA)	553	300	300
299900 Fees and Licenses (Administrative Fees)	<u>11,579</u>	<u>10,800</u>	<u>10,800</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$1,369,147</u>	<u>\$1,572,590</u>	<u>\$1,572,590</u>
Total Resources	\$8,415,032	\$9,976,018	\$11,535,773
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			

* Dollars in thousands, except in Salary Range.

8380 Department of Personnel Administration - Continued

	2006-07*	2007-08*	2008-09*
0840 State Controller (State Operations)	4	6	7
8380 Department of Personnel Administration (State Operations)	11,600	12,829	13,837
Other Disbursements:			
Payments to Participants	-	-	-
Total Expenditures and Expenditure Adjustments	<u>\$11,604</u>	<u>\$12,835</u>	<u>\$13,844</u>
FUND BALANCE	\$8,403,428	\$9,963,183	\$11,521,929

8049 Vision Care Program for State Annuity Fund ^N

BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215600 Interest on Investments	-	-	-
216100 Fees & Licenses (Administrative Fees)	-	-	-
221100 Other (Retired Annuity Contributions)	-	\$6,500	\$6,500
Total Revenues, Transfers, and Other Adjustments	-	\$6,500	\$6,500
Total Resources	-	\$6,500	\$6,500
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
8380 Department of Personnel Administration (State Operations)	-	6,500	6,500
Total Expenditures and Expenditure Adjustments	-	\$6,500	\$6,500
FUND BALANCE	-	-	-

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
Totals, Authorized Positions	191.8	238.0	231.0	\$12,765	\$15,405	\$15,257
Salary Adjustments	-	-	-	-	333	325
Proposed New Positions:				Salary Range		
Program 10, Classification and Compensation:						
Personnel Program Advisor	-	-	3.0	6,173-6,808	-	245
Staff Programmer Analyst-Spec	-	-	1.0	5,065-6,466	-	78
Staff Personnel Program Analyst	-	-	5.0	5,079-6,127	-	368
Research Analyst II	-	-	1.0	4,619-5,616	-	67
Personnel Specialist	-	-	10.0	2,602-4,067	-	400
Office Tech-Typing	-	-	1.0	2,686-3,264	-	36
Program 20, Labor Relations:						
Labor Relations Specialist	-	-	4.0	5,079-6,127	-	269
Office Tech-Typing	-	-	1.0	2,686-3,264	-	36
Program 25, Legal:						
Administrative Law Judge	-	-	4.0	7,858-9,509	-	417
Labor Relations Counsel II	-	-	7.0	6,352-7,834	-	596
Legal Secretary	-	-	4.0	3,038-3,878	-	166
Totals, Proposed New Positions	<u>-</u>	<u>-</u>	<u>41.0</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2,678</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>41.0</u>	<u>\$-</u>	<u>\$333</u>	<u>\$3,003</u>
TOTALS, SALARIES AND WAGES	191.8	238.0	272.0	\$12,765	\$15,738	\$18,260

* Dollars in thousands, except in Salary Range.

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